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6  
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ConocoPhillips Company

8  
9 UNITED STATES DISTRICT COURT  
10 NORTHERN DISTRICT OF CALIFORNIA - SAN JOSE DIVISION

|                                       |   |  |
|---------------------------------------|---|--|
| 11 HOUTAN PETROLEUM, INC.             | ) | Case No. 3:07-cv-5627                        |
| 12 Plaintiff,                         | ) |  |
| 13 vs.                                | ) | <b><u>DECLARATION OF JAY ROLLINS IN</u></b>  |
| 14 CONOCOPHILLIPS COMPANY, a Texas    | ) | <b><u>SUPPORT OF CONOCOPHILLIPS</u></b>      |
| 15 corporation and DOES 1 through 10, | ) | <b><u>COMPANY'S APPLICATION FOR WRIT</u></b> |
| Inclusive                             | ) | <b><u>OF POSSESSION AND PRELIMINARY</u></b>  |
| 16 Defendants.                        | ) | <b><u>INJUNCTION</u></b>                     |
| 17 _____                              | ) | <b>Date: January 25, 2008</b>                |
|                                       | ) | <b>Time: 10:00 a.m.</b>                      |
|                                       | ) | <b>Courtroom: 1</b>                          |
|                                       | ) | <b>Before: Hon. Samuel Conti</b>             |

18  
19 I, Jay Rollins, say:

20 1. I am employed by ConocoPhillips Company ("ConocoPhillips") as Bay Area  
21 Sales Manager. I have personal knowledge of facts hereinafter set forth, and if called as a  
22 witness could and would competently testify thereto.

23 2. Attached hereto as **Exhibit A** is an appraisal report prepared for ConocoPhillips  
24 by Valuation Research Corporation. This appraisal lists, and establishes a value for, the  
25 structures, improvements and equipment located at the gasoline service station at 101 East El  
26 Camino Real, Mountain View, California (the "Station"). ConocoPhillips owns all of these  
27 structures, improvements and equipment.

28 ///

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# **EXHIBIT A**



Valuation Research Corporation

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50 California Street  
San Francisco, CA 94111

## Summary Exhibits of Leasehold Interest Appraisal

255661 – Mountain View, CA

### **Exhibits**

- |           |   |
|-----------|---|
| Exhibit 1 | Valuation Summary   |
| Exhibit 2 | Valuation Summary 2006 -- Value of Land and Improvements                                |
| Exhibit 3 | Valuation Summary 2006 -- Value of Improvements<br>Adjusted for Remaining Term of Lease |
| Exhibit 4 | Discounted Cash Flow Analysis -- Land Lease and Permits/Entitlements                    |

Exhibit 1

**Valuation Summary - Leasehold Interest**  
**ConocoPhillips Cost Center 255661 - Mountain View, CA**

**Leasehold Interest**

|  |             |     |
|--|-------------|-----|
| Land Value (2007 Valuation)                  | \$1,729,000 |     |
| Land Capitalization Rate                     | 10.10%      |     |
| Implied Annual Market Rent                   | \$174,629   |     |
| Current Annual Contractal Land Rent          | \$74,040    |     |
| Date of Valuation                            | 1-Jan-2008  |     |
| Lease Term - Expiration                      | 31-Oct-2007 |     |
| Remaining Term (Years)                       | 0.17        |     |
| Discount Rate                                | 9.70%       |     |
| Fair Value Advantage/Disadvantage            |             | \$0 |
| Permitting and Entitlements (2006 Valuation) | \$202,500   |     |
| Land Capitalization Rate                     | 10.10%      |     |
| Implied Annual Market Rent                   | \$20,453    |     |
| Date of Valuation                            | 1-Jan-2008  |     |
| Lease Term - Expiration                      | 31-Oct-2007 |     |
| Remaining Term (Years)                       | 0.17        |     |
| Discount Rate                                | 9.70%       |     |
| Present Value - Permitting and Entitlements  |             | 0   |

**Leasehold Improvements**

|  |           |        |
|--|-----------|--------|
| Building Improvements  | \$73,521  |        |
| Site Improvements  | 54,499    |        |
| Gasoline Related Improvements  | 212,002   |        |
| Total Leasehold Improvements   | \$340,022 |        |
| Adjustment for Remaining Term of Lease                               | (253,737) |        |
| Total Leasehold Improvements Adjusted<br>for Remaining Term of Lease |           | 86,285 |

**Razing of Premises**

|   |     |   |
|---|-----|---|
| Current Estimated Cost of Razing Premises                   | \$0 |   |
| Adjustment for Inflation to Lease<br>Term - Expiration @ 3% | --  |   |
| Projected Cost of Razing                                    | \$0 |   |
| Discount Rate   | --  |   |
| Present Value - Cost of Razing Premises Expense             |     | 0 |

|   |                 |
|---|-----------------|
| <b>Total Market Value of the Leasehold Interest</b> | <b>\$86,285</b> |
| <b>Rounded</b>                                      | <b>\$86,000</b> |

Land  
 Permitting and Entitlements  
 Leasehold Improvements

Exhibit 2

**Valuation Summary - 2007 Value of Land & Improvements**  
**ConocoPhillips Cost Center 255661 - Mountain View, CA**

**Building Improvements**

Base Cost (Sec 64/Pg 1, Class S, Average) \$95.03

Multipliers:

|                |       |       |
|----------------|-------|-------|
| Area/Perimeter | 0.956 |       |
| Height         | 1.000 |       |
| Current Cost   | 1.030 |       |
| Local          | 1.210 |       |
| Total          |       | 1.191 |

Adjusted Base Cost \$113.18  
 Building Area (SF) 1,624

Subtotal Replacement Cost New (RCN) \$183,804  
 Less Physical Deterioration @ 60% (110,283)

Subtotal RCN Less Physical Deterioration 73,521  
 Add Soft Costs (Permitting and Entitlements) 202,500

Total RCN Less Physical Deterioration - Building \$276,021

**Site Improvements**

| Description                   | Units     | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNLD  |
|-------------------------------|-----------|-----------|-----------|---------------|---------------|--------------------------|--------|
| Grading                       | 24,700 SF | \$0.29    | 7,163     | --            | --            | --                       | 7,163  |
| Asphalt Paving                | 12,000 SF | \$2.44    | 29,280    | 6             | 10            | 60%                      | 11,712 |
| Concrete Paving               | 8,000 SF  | \$6.69    | 53,520    | 9             | 16            | 56%                      | 23,549 |
| Concrete Curbing              | 370 LF    | \$9.00    | 3,330     | 11            | 20            | 55%                      | 1,499  |
| Landscaping                   | --        | --        | --        | --            | --            | --                       | 5,000  |
| Miscellaneous (Fencing, etc.) | 120 LF    | \$25.00   | 3,000     | 0             | 25            | 0%                       | 3,000  |
| Trash Enclosure               | 80 SF     | \$5.65    | 452       | 15            | 25            | 60%                      | 181    |
| Lighting                      | 3 Fix     | \$1,815   | 5,445     | 9             | 16            | 56%                      | 2,396  |

Total Replacement Cost New Less Physical Deterioration - Site Improvements 54,499

**Gasoline Related Improvements**

| Description              | Units    | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNLD  |
|--------------------------|----------|-----------|-----------|---------------|---------------|--------------------------|--------|
| Canopy                   | 1,012 SF | \$29.44   | 29,793    | 9             | 16            | 56%                      | 13,109 |
| Canopy                   | 1,012 SF | \$29.44   | 29,793    | 9             | 16            | 56%                      | 13,109 |
| Signage                  | 1 Fix    | \$7,879   | 7,879     |               |               | 50%                      | 3,940  |
| Machinery and Equipment: |          |           |           |               |               |                          |        |
| UST 12,032 Gal           | 1        | \$41,689  | 41,689    |               |               | 46%                      | 22,512 |
| UST 12,032 Gal           | 1        | \$39,120  | 39,120    |               |               | 46%                      | 21,125 |
| UST 550 Gal              | 1        | \$11,151  | 11,151    |               |               | 46%                      | 6,022  |
| Dispensers               | 6        | \$18,255  | 109,530   |               |               | 42%                      | 63,527 |
| Control Console          | 1        | \$14,002  | 14,002    |               |               | 42%                      | 8,121  |
| Piping                   | --       | \$4,278   | 25,668    |               |               | 32%                      | 17,454 |
| Spill Containment        | --       | \$24,530  | 24,530    |               |               | 44%                      | 13,737 |
| Additional Installation  | --       | \$51,341  | 51,341    |               |               | 57%                      | 22,077 |
| Lift                     | 3        | \$6,441   | 19,323    |               |               | 71%                      | 5,604  |
| Air Compressor           | 1        | \$4,273   | 4,273     |               |               | 61%                      | 1,666  |

Total Replacement Cost New Less Physical Deterioration - Gasoline Related Improvements 212,002

Subtotal Replacement Cost New of Improvements Less Physical Deterioration \$542,522  
 Less Functional Obsolescence 0  
 Less External Obsolescence 0

Total Replacement Cost New of Improvements Less Physical Deterioration \$542,522  
 Add Land Value 1,729,000

Total Estimated Value by the Cost Approach \$2,271,522

Rounded \$2,270,000

Land  
 Permitting and Entitlements  
 Leasehold Improvements

Exhibit 3

**Valuation Summary - 2007 Value of Improvements Adjusted for Remaining Term of Lease**  
**ConocoPhillips Cost Center 255661 - Mountain View, CA**

**Building Improvements**

|  |           |
|--|-----------|
| Base Cost (Sec 64/Pg 1, Class S, Average)        | \$95.03   |
| Multipliers:                                     |           |
| Area/Perimeter                                   | 0.956     |
| Height   | 1.000     |
| Current Cost                                     | 1.030     |
| Local  | 1.210     |
| Total  | 1.191     |
| Adjusted Base Cost                               | \$113.18  |
| Building Area (SF)                               | 1,624     |
| Subtotal Replacement Cost New (RCN)              | \$183,804 |
| Less Physical Deterioration @ 99%                | (182,554) |
| Subtotal RCN Less Physical Deterioration         | 1,250     |
| Total RCN Less Physical Deterioration - Building |           |

\$1,250

**Site Improvements**

| Description                   | Units     | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNLD |
|-------------------------------|-----------|-----------|-----------|---------------|---------------|--------------------------|-------|
| Grading                       | 24,700 SF | \$0.29    | 7,163     | --            | --            | --                       | 41    |
| Asphalt Paving                | 12,000 SF | \$2.44    | 29,280    | 9.83          | 10            | 98%                      | 586   |
| Concrete Paving               | 8,000 SF  | \$6.69    | 53,520    | 15.83         | 16            | 99%                      | 535   |
| Concrete Curbing              | 370 LF    | \$9.00    | 3,330     | 19.83         | 20            | 99%                      | 33    |
| Landscaping                   | --        | --        | --        | --            | --            | --                       | 28    |
| Miscellaneous (Fencing, etc.) | 120 LF    | \$25.00   | 3,000     | 24.83         | 25            | 99%                      | 30    |
| Trash Enclosure               | 80 SF     | \$5.65    | 452       | 24.83         | 25            | 99%                      | 5     |
| Lighting                      | 3 Fix     | \$1,815   | 5,445     | 15.83         | 16            | 99%                      | 54    |

Total Replacement Cost New Less Physical Deterioration - Site Improvements

1,312

**Gasoline Related Improvements**

| Description              | Units    | Unit Cost | Total RCN | Effective Age | Economic Life | % Physical Deterioration | RCNLD  |
|--------------------------|----------|-----------|-----------|---------------|---------------|--------------------------|--------|
| Canopy                   | 1,012 SF | \$29.44   | 29,793    | 15.83         | 16            | 99%                      | 298    |
| Canopy                   | 1,012 SF | \$29.44   | 29,793    | 15.83         | 16            | 99%                      | 298    |
| Signage                  | 1 Fix    | \$7,879   | 7,879     |               |               | 79%                      | 1,655  |
| Machinery and Equipment: |          |           |           |               |               |                          |        |
| UST 12,032 Gal           | 1        | \$41,689  | 41,689    |               |               | 77%                      | 9,588  |
| UST 12,032 Gal           | 1        | \$39,120  | 39,120    |               |               | 77%                      | 8,998  |
| UST 550 Gal              | 1        | \$11,151  | 11,151    |               |               | 77%                      | 2,565  |
| Dispensers               | 6        | \$18,255  | 109,530   |               |               | 74%                      | 28,478 |
| Control Console          | 1        | \$14,002  | 14,002    |               |               | 74%                      | 3,641  |
| Piping                   | --       | \$4,278   | 25,668    |               |               | 77%                      | 5,904  |
| Spill Containment        | --       | \$24,530  | 24,530    |               |               | 77%                      | 5,642  |
| Additional Installation  | --       | \$51,341  | 51,341    |               |               | 78%                      | 11,295 |
| Lift                     | 3        | \$6,441   | 19,323    |               |               | 78%                      | 4,251  |
| Air Compressor           | 1        | \$4,273   | 4,273     |               |               | 74%                      | 1,111  |

Total Replacement Cost New Less Physical Deterioration - Gasoline Related Improvements

83,722

Subtotal Replacement Cost New of Improvements Less Physical Deterioration

\$86,285

Less Functional Obsolescence

0

Less External Obsolescence

0

Total Replacement Cost New of Improvements Less Physical Deterioration

\$86,285

Leasehold Improvements

Exhibit 4

Cost Center 255661  
101 E El Camino Real  
Mountain View, Ca

| Months | 0    | 0    |
|--------|------|------|
| Year   | 2007 | 2008 |

Market Land Rent  
Contract Land Rent  
Advantage/(Disadvantage)  
Present Value Factor  
PV of Advantage/(Disadvantage)  
Fair Value Advantage

Fair Rental Value Permits/Entitlements  
PV of Rental Value

Fair Value \$0

|                                  |            |
|----------------------------------|------------|
| Valuation Date                   | 1/1/2008   |
| Current Term Expiration          | 10/31/2007 |
| Final Expiration                 | 10/31/2007 |
| Market Land Rent                 | \$174,629  |
| Market Land Rent Annual Increase | 3%         |
| Discount Rate                    | 9.70%      |